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August 19, 1999

VIA HAND DELIVERY

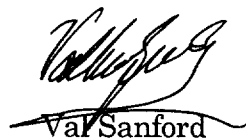
Guy Hicks, Esq.
BellSouth Telecommunications, Inc.
333 Commerce Street
Suite 2101
Nashville, Tennessee 37201-3300

Re: *Tariff Filing to Introduce BellSouth 25¢ Call Plan Service*
Docket No. 98-00307

Dear Guy:

We are serving you herewith AT&T's First Set of Data Requests to BellSouth in this matter. Copies are being served on other counsel of record and thirteen (13) copies are being served on David Waddell for the Tennessee Regulatory Authority.

Yours very truly,


Val Sanford

VS/ghc
Enclosures

cc: David Waddell (13 copies)
Richard Collier
Jon E. Hastings
James Wright
James P. Lamoureux
Garry Sharp

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE: *BellSouth Telecommunications, Inc. Tariff Filing*
To Introduce BellSouth 25¢ Call Plan Service

Docket No. 98-00307

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OFFICE
EXECUTIVE SECRETARY

AT&T'S FIRST SET OF DATA REQUESTS TO BELL SOUTH

AT&T Communications of the South Central States, Inc. ("AT&T") hereby serves the following Data Requests to BellSouth Telecommunications, Inc. ("BellSouth"), to be answered on or before August 30, 1999, pursuant to the schedule adopted in the Hearing Officer's Report.

DEFINITIONS

1. "BellSouth" means BellSouth Telecommunications, Inc., and its parents, subsidiaries, and affiliates, including but not limited to BellSouth Corporation, BellSouth Long Distance ("BSLD"), BellSouth, BSE ("BSE"), their present and former officers, employees, agents, representatives, directors, and all other persons acting or purporting to act on behalf of BellSouth Telecommunications, Inc.
2. The terms "you" and "your" refer to BellSouth.
3. "Bell Operating Company" means any company defined in 47 U.S.C. §153(35), and its parents, subsidiaries, and affiliates, their present and former officers, employees, agents, directors, and all other persons acting or purporting to act on behalf of the Bell Operating Company.

4. "AT&T" means AT&T Communications of the South Central States, Inc., its subsidiaries and affiliates, their present and former officers, employees, agents, directors, and all other persons acting or purporting to act on behalf of AT&T.

5. The term "person" means any natural person, corporation, corporate division, partnership, other unincorporated association, trust, government agency, or entity.

6. The term "document" shall have the broadest possible meaning under applicable law. "Document" means every writing or record of every type and description that is in the possession, custody or control of BellSouth, including but not limited to correspondence, memoranda, workpapers, summaries, stenographic or handwritten notes, studies, publications, books, pamphlets, reports, surveys, minutes or statistical compilations, computer and other electronic records or tapes or printouts, including but not limited to electronic mail files; and copies of such writings or records containing any commentary or notation whatsoever that does not appear in the original. The term "document" further includes, by way of illustration and not limitation, memoranda, correspondence, schedules, progress schedules, time logs, drawings, computer disks, charts, projections, time tables, summaries of other documents, minutes, surveys, work sheets, drawings, comparisons, evaluations, laboratory and testing reports, telephone call records, personal diaries, calendars, personal notebooks, personal reading files, transcripts, witness statements and indices.

7. The term "communication" means any oral, graphic, demonstrative, telephonic, verbal, electronic, written or other conveyance of information, including but not limited to, conversations, telecommunications, and documents.

8. The phrase "referring or relating to" means consisting of, containing, mentioning, suggesting, reflecting, concerning, regarding, summarizing, analyzing, discussing, involving, dealing with, emanating from, directed at, pertaining to in any way, or in any way logically or factually connected or associated with the matter discussed.

9. "And" and "or" as used herein shall be construed both conjunctively and disjunctively and each shall include the other whenever such construction will serve to bring within the scope of these discovery requests any information what would not otherwise not be brought within their scope.

10. The singular as used herein shall include the plural and the masculine gender shall include the feminine and the neuter.

11. "Identify" or "identifying" or "identification" when in used in reference to a natural person means to state:

- a) the full legal name of the person;
- b) the name, title and employer of the person at the time in question;
- c) the present or last known employer of such person;
- d) the present or last known home and business addresses of the person; and
- e) the present home and business telephone numbers of the person.

12. "Identify" or "identifying" or "identification" when used in reference to a person other than a natural person means to state:

- a) the full name of the person and any names under which it conducts business;
- b) the present or last known address of the person; and

- c) the present or last known telephone number of the person.

13. "Identify" or "identifying" or "identification" when used in reference to a document means to provide with respect to each document requested to be identified by these discovery requests a description of the document that is sufficient for purposes of a request to produce or a subpoena duces tecum, including the following:

- a) the type of document (e.g., letter, memorandum, etc.);
- b) the date of the document;
- c) the title or label of the document;
- d) the Bates number or other identifier used to number the document for use in litigation;
- e) the identity of the originator;
- f) the identity of each person to whom it was sent;
- g) the identity of each person to whom a copy or copies were sent;
- h) a summary of the contents of the document;
- i) the name and last known address of each person who presently has possession, custody or control of the document; and
- j) if any such document was, but is no longer, in your possession, custody or control or is no longer in existence, state whether it:
(1) is missing or lost; (2) has been destroyed; or (3) has been transferred voluntarily or involuntarily, and, if so, state the circumstances surrounding the authorization for each such disposition and the date of such disposition.

14. "Identify," "identifying" or "identity" when used in reference to a communication means to state the date of the communication, whether the communication was written or oral, the identity of all parties and witnesses to the communication, the substance of what was said and/or transpired and, if written, the identity of the document(s) containing or referring to the communication.

INSTRUCTIONS

1. If you contend that any response to any interrogatory may be withheld under the attorney-client privilege, the attorney work product doctrine or any other privilege or basis, please state the following with respect to each such response in order to explain the basis for the claim of privilege and to permit adjudication of the propriety of that claim:

- a) the privilege asserted and its basis;
- b) the nature of the information withheld;
- c) the subject matter of the document, except to the extent that you claim it is privileged.

2. These discovery requests are to be answered with reference to all information in your possession, custody or control or reasonably available to you. These discovery requests are intended to include requests for information which is physically within BellSouth's possession, custody or control as well as in the possession, custody or control of BellSouth's agents, attorneys, or other third parties from which such documents may be obtained.

3. If any interrogatory cannot be answered in full, answer to the extent possible and specify the reasons for your inability to answer fully.

4. These interrogatories are continuing in nature and require supplemental responses should information unknown to you at the time you serve your responses to these interrogatories subsequently become known.

For each interrogatory, provide the name of the company witness(es) or employee(s) responsible for compiling and providing the information contained in each answer.

DATA REQUESTS

1. Please produce all documents, including but not limited to memoranda, workpapers, and analyses, which set forth, support, underlie or explain BellSouth's petition to offer per message charges as an option for intraLATA calls.

RESPONSE:

2. Please identify each input used by BellSouth in its computer program used to calculate the total number of lines that would subscribe to the plan for purposes of calculating projected revenue and identify the manner in which each input is used in the computer program in calculating the total number of lines. Alternatively, please produce an electronic copy of the computer program, populated with the input values BellSouth used in this proceeding.

RESPONSE:

3. Please explain the meaning and purpose of each of the column headers, e.g. Lines, Current MTS Msgs, Current MTS Conv Mou, etc., in the 25-Cent Call Plan Priceout ("Revenue Analysis") filed by BellSouth in this proceeding, including an

identification and description of the source and formulas that determine each of the values placed in these columns.

RESPONSE:

4. Please produce all documents, including but not limited to memoranda, workpapers, and analyses, which specifically underlie or support the following assumptions in BellSouth's filed Revenue Analysis: (1) Percent Take, (2) Take Prop Stim Msgs, (3) Take Prop Stim Conv Mou, (4) Take Current MTS Revenue, (5) Take CALL25 Revenue, (7) Msgs Per Line, and (8) Stim Msgs Per Line.

RESPONSE:

5. What is the rationale supporting the "5% Adjustment for > \$11 Accounts" assumption in the Revenue Analysis and its application? Please produce all documents, including but not limited to memoranda, workpapers, and analyses, which specifically underlie or support that rationale.

RESPONSE:

6. Please produce all documents, including but not limited to memoranda, workpapers, data and analyses, which underlie or support BellSouth's calculation of the "Revenue Impact for Settlements to ICO's from Bell" it expects to realize from its LATA-wide 25-Cent Calling Plan.

RESPONSE:

7. Please describe BellSouth's reciprocal compensation arrangements with ICOs and CLECs and the classification of 25-Cent Calling Plan calls as Local or Access for mutual compensation purposes. Produce any and all documents that identify or set forth any and all such arrangements, including specifically any agreements with LECs and CLECs.

RESPONSE:

8. How are the arrangements for originating and terminating calls any different for LATA-wide 25-Cent Calling Plan calls compared to long distance calls?

RESPONSE:

9. If a CLEC's interconnection agreement allows a CLEC to define intraLATA calls as local calls, will BellSouth agree to provide that CLEC intraLATA access at the interconnection rate set forth in the agreement? If not, why not?

RESPONSE:

10. In the Imputation Analysis filed by BellSouth, explain why BellSouth has chosen a denominator based on Conversation Mou versus Access Mou. Please explain the impact of using an Access Mou denominator divided into Total Revenue.

RESPONSE:

11. What is the target market for BellSouth's LATA-wide 25-Cent Calling Plan?

Please produce all documents, including but not limiting to memoranda, workpapers, and analyses, which underlie or support BellSouth's identification of the target market for its LATA-wide 25-Cent Calling Plan.

RESPONSE:

12. Is the LATA-wide 25-Cent Calling Plan designed to be more attractive to larger or smaller customers? Please explain why.

RESPONSE:

13. Please produce all documents pertaining or relating to any and all market research conducted by BellSouth in connection with its LATA-wide 25-Cent Calling Plan.

RESPONSE:

14. To what customers does BellSouth intend to direct market its LATA-wide 25-Cent Calling Plan?

RESPONSE:

15. Please provide the impact on cost and revenue that would occur if BellSouth marketed its LATA-wide 25-Cent Calling Plan to all customers.

RESPONSE:

16. Does BellSouth intend to mass advertise its LATA-wide 25-Cent Calling Plan?

RESPONSE:

17. How did BellSouth develop the amount of the monthly subscription fee for its LATA-wide 25-Cent Calling Plan? Please produce all documents, including but not limited to memoranda, workpapers, and analyses, which support or underlie BellSouth's development of the monthly subscription fee for its LATA-wide 25-Cent Calling Plan.

RESPONSE:

18. Explain to what extent expense relative to ICO Settlements has been factored into BellSouth's Price Floor Calculation and the rationale for such decision.

RESPONSE:

19. In the Price Floor Calculation, did BellSouth impute any costs in developing the monthly fee, e.g. marketing, billing, network, and access? Please explain and quantify all such costs.

RESPONSE:

20. Did BellSouth impute switched access Local Switching or Switched Transport when it developed the Price Floor, i.e., all charges that an IXC would pay to serve a customer using this functionality as provided by BellSouth? If so, please produce all documents, including workpapers, memoranda, and analyses that form

the basis of such imputation. If not, please explain why not, and produce all documents which support BellSouth's rationale for not imputing all such access costs.

RESPONSE:

21. Please identify/specify the source location for the values used in BellSouth's Price Floor Calculation for LOCAL SWITCHING and SWITCHED TRANSPORT.

RESPONSE:

22. In its Price Floor Calculation, please explain the term footnoted as "* TSLRIC – customer operations factor".

RESPONSE:

23. In its Price Floor Calculation, explain why the value in "B8" being charged to IXC's who purchase Special Access transport exceeds the imputed Switched Transport value in "A1" & "A2". Also explain the difference in values, e.g., profit above TSLRIC.

RESPONSE:

24. What percentage of BellSouth's current intraLATA toll customers, if they subscribed to BellSouth's plan, would pay less per month under BellSouth's plan than the amount IXC's would have to pay BellSouth for intraLATA switched access for a similar number of intraLATA toll calls per month?

RESPONSE:

25. Will BellSouth offer intraLATA carriers the option to purchase intraLATA access on a per customer basis, a flat rate basis or a per call basis? If not, please explain why BellSouth will not offer intraLATA carriers the option of buying access on a per customer basis, a flat rate basis or a per call basis, other than the current structure of access charges or current tariffs.

RESPONSE:

26. What is the cost that BellSouth incurs to provide intraLATA switched access in Tennessee? Please produce all documents, including memoranda, workpapers, and analyses, that indicate the cost that BellSouth incurs, on a per-minute basis, to provide intraLATA switched access services in Tennessee.

RESPONSE:

27. What is the average length of intraLATA toll calls, e.g., MOU per call, in Tennessee?

RESPONSE:

28. Produce all documents pertaining or relating to the relationship of this calling plan with BellSouth's plans to offer interLATA services and/or the introduction of 1+ intraLATA presubscription.

RESPONSE:

29. Please describe how the \$20.65 in line 4 of BellSouth's "Stand Alone Surrogate Analysis" was calculated. Identify separately each component included in the \$20.65 amount, provide the rationale for including each such component, and describe how all the components were accumulated to arrive at the total of \$20.65.

RESPONSE:

James P. Lamoureux by J.S.C.

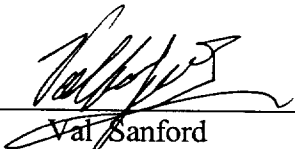
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Attorneys for AT&T Communications of the
South Central States, Inc.

CERTIFICATE OF SERVICE

I, Val Sanford, hereby certify that I have served the original of AT&T's First Set Data Requests to Guy Hicks, Esq., BellSouth Telecommunications, 333 Commerce Street, Suite 2102, Nashville, Tennessee and copies to Richard Collier, Esq., Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, TN 37201; Jon E. Hastings, Esq., Boulton, Cummings, Conners & Berry, PLC, 414 Union Street, Suite 1600, Nashville, TN 37219 and James Wright, Esq., United Telephone - Southeast, 14111 Capitol Blvd., Wake Forest, NC 27587, this 19th day of August, 1999.



Val Sanford